

## Message Text

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ORIGIN AF-10

INFO OCT-01 ISO-00 L-03 TRSE-00 EB-08 COME-00 PA-02  
ICA-20 FMC-02 FAA-00 DOTE-00 CAB-05 CIAE-00  
INR-10 NSAE-00 /061 R

DRAFTED BY AF/W:RJKOTT:HMN  
APPROVED BY AF/W:TWMSMITH  
L/AF:NELY (INFO)  
TREAS/OS:MFEINBERG (SUBS)  
FO AF/P:BRUSSELL(INFO)  
-----099568 120639Z /64

R 112134Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LAGOS  
INFO AMCONSUL KADUNA

UNCLAS STATE 174850

E.O. 11652: N/A

TAGS: EFIN, SOPN, NI

SUBJECT: PROPOSED PRESS RELEASE ON TERMINATION OF DOUBLE  
TAXATION TREATY

A) LAGOS 8020; B) LAGOS 7919; C) LAGOS 7907; D) STATE  
158825

1. DEPARTMENT OF THE TREASURY PROPOSES TO PUBLISH  
FOLLOWING PRESS RELEASE UNLESS EMBASSY HAS SERIOUS  
OBJECTIONS: BEGIN QUOTE: US NIGERIA INCOME TAX  
CONVENTION TERMINATED - THE TREASURY DEPARTMENT ANNOUNCED  
TODAY THAT NOTIFICATION HAS BEEN RECEIVED BY THE UNITED  
STATES EMBASSY IN LAGOS, NIGERIA, OFFICIALLY INFORMING  
THE UNITED STATES GOVERNMENT OF NIGERIA'S INTENTION TO  
TERMINATE THE INCOME TAX CONVENTION PRESENTLY IN FORCE  
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BETWEEN THE UNITED STATES AND NIGERIA. THE NOTICE OF  
TERMINATION WAS DELIVERED UNDER THE TERMS OF ARTICLE  
XXIV OF THE CONVENTION.

THE PRESENT CONVENTION IS THE US-UK INCOME TAX CONVENTION  
OF 1945, WHICH WAS EXTENDED TO NIGERIA, AS A UK OVERSEAS  
TERRITORY, IN 1959 AND CONTINUED IN FORCE AFTER NIGERIAN

INDEPENDENCE IN 1960.

UNDER ARTICLE XXIV, TERMINATION WILL HAVE EFFECT FOR NIGERIAN INCOME TAX PURPOSES FOR ANY YEAR OF ASSESSMENT BEGINNING ON OR AFTER APRIL 1, 1979. FOR UNITED STATES INCOME TAX PURPOSES, TERMINATION WILL HAVE EFFECT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 1979.

WHEN THE CONVENTION HAS BEEN TERMINATED, STATUTORY RULES IN BOTH COUNTRIES WILL APPLY IN PLACE OF THE TREATY RULES. THUS, FOR EXAMPLE, STATUTORY WITHHOLDING RATES ON DIVIDENDS AND ROYALTIES WILL APPLY IN PLACE OF THE EXEMPTIONS OR REDUCED RATES OF WITHHOLDING PROVIDED IN THE TREATY. SIMILARLY, RECIPROCAL EXEMPTIONS FOR SHIPPING AND AIRCRAFT COMPANIES WILL NO LONGER APPLY AFTER THE TERMINATION TAKES EFFECT. THE US HOPES TO SOON BEGIN NEGOTIATIONS WITH THE NIGERIAN GOVERNMENT IN ORDER TO CONCLUDE A NEW TAX AGREEMENT. UNQUOTE.

2. EMBASSY MAY INFORM FMG OF CONTENTS ABOVE AND STATE THAT IT WILL BE RELEASED SHORTLY.

3. USDOC WILL PLACE NOTICE IN COMMERCE AMERICA ALONG LINES OF PARA ONE. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TREATY TERMINATION, PRESS RELEASES, DOUBLE TAXATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1978STATE174850  
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**Drafter:** RJKOTT:HMN  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** PROPOSED PRESS RELEASE ON TERMINATION OF DOUBLE TAXATION TREATY A) LAGOS 8020; B) LAGOS 7919; C) LAGOS 7907; D) ST  
**TAGS:** EFIN, SOPN, NI  
**To:** LAGOS  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014